

ARTICLE APPEARED
ON PAGE A20NEW YORK TIMES
11 December 1986

Israelis' Account on Arms: How U.S. Set Up the Deals

By THOMAS L. FRIEDMAN
Special to The New York Times

JERUSALEM, DEC. 10 — In the last few days, Israeli officials have been quietly divulging to the Israeli press their inside account of the Iran affair — a version they say details precisely how the United States Government, "with the knowledge and approval" of President Reagan, used Israel to exchange arms for hostages with Iran.

Senior Israeli officials say they are growing tired of being referred to by American officials as "the third country" that helped Washington in the affair, as if Israel had done something so sinister it would be improper to refer to it by name.

"If they've got something to say against us, then why don't they say it straight out," a senior Israeli official said. "Otherwise, please leave us alone. We are not going to be the scapegoats."

Up until now, the Israeli Government has declined to give any official version of its dealings with Washington on the Iran affair, other than to say that it acted at the request of the United States and knew nothing about funds being transferred to the Nicaraguan rebels known as contras.

Avoiding Harm to President

"Why do we still keep silent?" Yoel Marcus, a political reporter for the daily newspaper Haaretz, wrote in a lengthy reconstruction of the Iran affair based on Israeli sources. "The answer being whispered in Jerusalem is that Israel is not interested in incriminating the President and his senior aides or in clouding the atmosphere in the excellent relations between the two countries."

Deep down, Mr. Marcus added, the Reagan Administration officials "may have hoped that Israel would take the blame."

He continued: "Our political leadership is unwilling to fulfill this role. A reconstruction of the facts shows that the episode is an American ballgame from beginning to end."

Mr. Marcus went on: "We still have some bullets in the gun. If they push Israel more, I won't be surprised if officials here use them."

Instead of publicly issuing a statement outlining Israel's role in the Iran affair, which might formally contradict the American versions and possibly complicate relations with Washington, senior Israeli officials have leaked the basic details to Israeli newspapers.

Israelis Confirm an Account

It is impossible to confirm the Israeli version independently. Though it is self-serving, it is not inconsistent with many of the facts that have emerged from Washington.

According to the most detailed account published over several days in Haaretz — a version senior Israeli officials confirm is "authoritative" — the affair developed through stages.

First, the Haaretz account said, "The affair was born in a conversation which took place in Jerusalem in March 1985 between then Prime Minister Shimon Peres and the American Michel Ledeen, a lawyer and former member of the National Security Council."

At the meeting, the newspaper said, Mr. Ledeen outlined two problems on behalf of Robert C. McFarlane, who was the national security advisor: Could Israel establish contacts to secure an American foothold in post-Khomeini Iran? And could Israel help with the release of hostages?

"Peres viewed this as a White House approach that demanded an answer," the account said. "There should therefore be no doubt who first proposed what to whom."

Second, after hearing from Mr. Ledeen, Mr. Peres, still in March 1985, told his informal adviser and old friend, Al Schwimmer, the founding president of Israel Aircraft Industries, that the Americans had asked him to help free their hostages, particularly, Haaretz said, William Buckley, who was the station chief for the Central Intelligence Agency in Beirut. Mr. Schwimmer suggested making use of Yaacov Nimrodi, an Israeli arms dealer who had been a military attaché in Teheran.

It was Mr. Schwimmer, the newspaper said, "who came up with the idea of 'arms for Buckley.'"

The Haaretz account contains factual errors and appears to be sharply at odds with the version related by American officials. Mr. Ledeen, who is not a lawyer, was never a member of the National Security Council staff, but was a consultant. In addition, American officials have said his meeting with Mr. Peres took place in May or June.

Finally, these officials said the conversation involved an opening to Iran, and did not include any mention of the hostages. The twist on the Haaretz account is important because it makes it appear that Washington was solely responsible for raising the idea of trading arms for hostages.

Mr. Ledeen would not comment on the details of the Israeli account, saying only that it was "total nonsense."

An Exchange, With Conditions

According to the Haaretz account, Mr. Nimrodi, apparently with the help of the Saudi arms dealer Adnan M. Khashoggi, made contact with Manucher Ghorbanifar. He was an Iranian exile who had been an officer of the Shah's Savak secret police, "who sells everything from carpets to missiles," and who had close contacts with the ruling Mullahs in Iran, Haaretz said.

Mr. Ghorbanifar actually came to Israel to select the items Iran wanted, "as if he was shopping in a supermarket," Haaretz said.

After much back and forth, Mr. Ghorbanifar demanded 500 TOW anti-tank missiles. At this point, Defense Minister Yitzhak Rabin was brought into the picture, Haaretz said, and he objected to such a large shipment. Mr. Nimrodi suggested they begin the deal with an "advance of 100 missiles, and then see the reaction," Haaretz said.

Mr. Rabin said he would consider the arms-for-Buckley trade under two conditions: that the payment — \$3.5 million — be made in advance and that Mr. McFarlane write and sign a letter stating that the deal was being done with his concurrence and that the United States would resupply Israel for the shipped missiles, Haaretz said.

In the late summer of 1985, David Kimche, then the director-general of the Israeli Foreign Ministry, was sent to Washington to obtain such approval. He did not get the letter Mr. Rabin wanted, but rather a verbal green light, Haaretz said.



The New York Times/Marilyn K. Yee

William J. Casey after testifying
at a closed House hearing.